

**SECRET**DPS-3349  
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Copy 1 of 2

Page 1 of 1

August 11, 1958

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Dear Dan:

As I mentioned to you in our telephone conversation this morning, we recently diverted for use on the WS 461L program (Air Force Contract No. AF33(600)-37394) three "B" units originally intended for Customer D. This diversion enabled us to provide equipment for the 461L program within a time schedule which would have otherwise been impossible.

We presently plan to fabricate three additional "B" units to replace those borrowed from Customer D. This can be done without affecting our delivery commitments to Customer D. Our estimated costs were \$5,200 for each of these units, thus \$15,600 will either be credited to Customer D or an equivalent amount of costs will be transferred directly to the 461L contract. The costs for fabricating the replacement units are estimated to be less than the costs for fabricating the original units, thus the entire transaction should result in a total net profit to Customer D.

I would appreciate receiving from you a letter approving this diversion of "B" units for use on the 461L program, as soon as possible, since, as I mentioned, we are having problems on this item which delay the definitization of the contract.

Thanks,



Sid

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1. CONTINUED

2. CONTINUED IN CLASS

3. DECLASSIFIED

CLASS. CHANGED TO: TS S C

NEXT REVIEW DATE:

DATE 15/2/21

REVIEWER: 010908